



Post Guideline on Fees GOF : Scenario Revisited

by Dr Chong Yeh Woei

You may well remember the GOF saga that we went through in 2007. To clue in those of us who may not remember, the GOF came into existence because the Ministry of Health asked the SMA to draw up the Guideline on Fees in the late 80s. The GOF had served the nation well with four editions in 20 years. We were informed in 2007 that the GOF might have been in contravention of the Competition Act that came into being as part of the free trade agreement signed with the United States.

We consulted our battery of legal advisors and were given legal opinions that we might be in contravention. As a result the SMA under the leadership of immediate past president Dr Wong Chiang Yin, in consultation with the membership at the Annual General Meeting (AGM), reluctantly withdrew

the Guideline on fees after the AGM.

In late 2008 we had feedback from the membership that the GOF needed to be revisited. We subsequently launched an appeal with the Competition Commission and even paid for the appeal out of the council members' own pockets.

To date, we have the provisional outcome of the appeal and the provisional verdict is clear that the GOF is in contravention of the law. Perhaps the GOF has simply outlived its usefulness and is now consigned to history.

But what has happened to the situation on the ground since the withdrawal of the GOF? By and large most doctors are still charging what is customary, fair and reasonable. In fact, most of them are still charging fees similar to that prior to the withdrawal of the guidelines. However the small number of doctors who are charging way above the two standard deviations

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on the Bell Curve are causing quite a bit of discomfort amongst patients and the profession at large.

We already know that information asymmetry works against the patient in our profession. There are also instances of emergencies where patients have practically no avenue of obtaining different quotes. The free market simply does not work well under such circumstances. The patient is a vulnerable being and as such it is our duty to protect his interests, especially under such circumstances. The duty as we all know is fiduciary in nature; it is not a simple matter of *caveat emptor* or a willing buyer and seller of services and goods. Medicine is a profession and not a trade.

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Enough said, the situation out there is fraught with pitfalls and difficulties for the patient. One of the proposed mechanisms is to publish prices for most common procedures for both private and public sectors. However, the fee structure for

the private sector is a little complicated, as the hospital bill is separate from the doctor's bill. The rates if published may be difficult to interpret, depending on how the reporting of such bill sizes is done. The private sector doctor may ask the patient to pay his inpatient consult fees at his practice instead of bundling the lot with the hospital bill on discharge.

If the patient uses Medisave, the mechanisms proposed to report bill sizes may be more transparent. Ultimately some quarters say that only the minority of patients are seen by the private sector. The majority of patients are seen by the public sector and as long as the fees in public sector hospitals are transparent and in most situations subsidised, private sector patients can be subjected to the market rules of *caveat emptor*. In an emergency, most patients who call for an ambulance are sent to the nearest restructured hospital. The rest who go to the private sector can then fend for themselves.

These are powerful arguments in that they pit the majority of the population against the minority and the medical tourists. Yet I cannot help but feel that such divisions, arising from free market principles will erode the trust built up over decades between the people and the profession. With the onset of the Lehman Brothers fiasco, the current ongoing Euro zone debt crisis and the intransigence of investment bankers appearing before the US Congress, there are many quarters that have argued that the free market may not

be the only way to go. Closer to home are the charities that have gotten themselves under the scrutiny of the authorities. I cannot help but be concerned that our current situation of market forces in medical services with the inherent conflict of interests and perverse incentives poses a moral hazard to our profession. **SMA**



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